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STANDARDS FOR THE GRANTING OF FEDERAL CHARTERS TO NONPROFIT CORPORATIONS

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STANDARDS FOR THE GRANTING OF FEDERAL CHARTERS

(Agreed to jointly by the Subcommittee on Federal Charters, Holidays, and Celebrations of the Committee on the Judiciary of the United States Senate and Subcommittee No. 4 of the Committee on the Judiciary of the House of Representatives)

In considering proposals for the granting of Federal charters, the following minimum standards will be applied:

Any private organization petitioning Congress for the purpose of obtaining the status of a Federal corporation shall be required to demonstrate to the satisfaction of the Congress that it is an organization which is—

(1) Operating under a charter granted by a State or the District of Columbia and that it has so operated for a sufficient length of time to demonstrate its permanence and that its activities are clearly in the public interest;

(2) Of such unique character that chartering by the Congress as a Federal corporation is the only appropriate form of incorporation;

(3) Organized and operated solely for charitable, literary, educational, scientific, patriotic, or civic improvement purposes;

(4) Organized and operated as a nonpartisan and nonprofit organization; and

(5) Organized and operated for the primary purpose of conducting activities which are of national scope and responsive to a national need, which need cannot be met except upon the issuance of a Federal charter.

The meeting of the minimum standards as set forth above by any private corporation shall not—

(1) Be considered as justification in itself for the granting of a Federal charter; or

(2) Preclude or limit the Congress from imposing additional criteria or standards with respect to the granting of a charter to any organization.

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